Calendar No. 708

82D CONGRESS, 1st Session | SENATE | REPORT No. 751

AMENDING FURTHER THE ACT ENTITLED "AN ACT TO AUTHORIZE THE CONSTRUCTION OF EXPERIMENTAL SUBMARINES, AND FOR OTHER PURPOSES," APPROVED MAY 16, 1947, AS AMENDED

SEPTEMBER 14 (legislative day, SEPTEMBER 13), 1951.—Ordered to be printed

Mr. MORSE, from the Committee on Armed Services, submitted the following

REPORT

[To accompany H. R. 1227]

UNIV. OF MICH. 1951

The Committee on Armed Services, to whom was referred the bill (H. R. 1227) to amend further the act entitled "An act to authorize the construction of experimental submarines, and for other purposes," approved May 16, 1947, as amended, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

AMENDMENT TO THE BILL

On line 8, strike out the figure "$50,000,000", and insert in lieu thereof "$49,000,000".

PURPOSE OF THE BILL

This bill as passed by the House of Representatives proposes to amend existing authority for the construction of experimental submarines by increasing the authorized cost of construction of the two vessels being built under the authority contained in the act of May 16, 1947, from $41 million to $50 million.

EXPLANATION OF THE BILL

Original authorization for postwar experimental submarines

In 1947 the Navy Department recommended to the Congress that authorization be given to undertake the construction of two experimental submarines which would incorporate the results of wartime experience and subsequent technical advances. The vessels contemplated under this authority were to be much more complex and modern than the fleet-type submarines of World War II.

In estimating the cost of construction of vessels of this type, the thousands of component items of electronics, ordnance, and machinery must be taken into consideration. The accuracy of the estimate depends both upon the extent of the design data available and upon the labor and material cost experience used in making the estimate.

The original cost estimates for these submarines were prepared early in 1947. The only basic cost data available at that time were based upon 1944–45 construction experience and wage-price levels. Furthermore at the time the original estimates were made the vessels were in the preliminary design stage. On the basis of information available at the time, the Navy Department interposed no objections to a limitation of $30 million on the cost of the construction authorized by the act of May 16, 1947.

Subsequent increase in the limitation on cost of construction

By 1949 the Navy Department had at its disposal more detailed design information than was available at the time the original estimates were made in 1947. Additionally the Department had had the benefit of more recent postwar shipbuilding cost experience. In the meantime the design of the experimental vessels had been refined so as to include changes dictated by continuing postwar studies of undersea operations. It became apparent that further design changes would be necessary in order that the completed vessels would contain the latest devices, weapons, and equipment.

In view of the foregoing the act of May 16, 1947, which originally authorized the construction of the vessels, was amended so as to increase the cost limitation from $30 million to $41 million.

Basis for increase recommended in H. R. 1227

The Navy Department now estimates that the cost of the two experimental submarines will be approximately $48,238,000. This estimate is based upon increased costs brought about by additional design changes, overtime and shift work on the submarines necessitated by an attempt to secure an earlier delivery date, an increase in the cost of shipbuilding materials and shipbuilding labor and an estimated cost increase on materials which have not as yet been delivered.

These prototype submarines are urgently needed by the fleet, and it is obviously in the public interest to meet the completion date scheduled within the next 4 to 6 months.

The reason for the amendment

The Navy Department requested that the limiting figure be raised to $50 million, as contained in H. R. 1227. The committee felt that inasmuch as the Navy Department estimated that the cost would be in the vicinity of $48,238,000, a limit of $49 million would be adequate, and for that reason amended the House language so as to reduce the figure to that amount.

RECOMMENDATIONS OF THE DEPARTMENT

The Department of the Navy recommends the enactment of the legislation in the form passed by the House of Representatives, as shown by the letter from the Secretary of Defense to the chairman of the Senate Committee on Armed Services dated January 5, 1951, which letter is included as a part of this report. It will be noted that

the letter refers to S. 327 which is a companion bill of H. R. 1227. The Bureau of the Budget interposes no objection to the legislation.

ASSISTANT SECRETARY OF DEFENSE,
Washington 25, D. C., January 5, 1951.

Hon. RICHARD B. RUSSELL,
Chairman, Committee on Armed Services,
United States Senate.

DEAR MR. CHAIRMAN: There is forwarded herewith a draft of legislation, to amend further the act entitled "An act to authorize the construction of experimental submarines, and for other purposes," approved May 16, 1947, as amended.

This proposal is a part of the Department of Defense legislative program for 1951 and it has been approved by the Bureau of the Budget. The Department of Defense recommends that it be enacted by the Congress.

Purpose of this legislation: This proposed legislation would raise the cost limitation with respect to two experimental submarines under construction by the Department of the Navy, as authorized by the act of May 16, 1947 (61 Stat. 96, ch. 69), as amended (34 U. S. C. 489), from $41,000,000 to $45,600,000. The authorization act originally provided a cost ceiling of $30,000,000. The act of August 9, 1949 (63 Stat. 577, ch. 405), raised that ceiling from $30,000,000 to $41,000,000 to cover the cost of certain refinements of design and substantial rises in the cost of labor and materials. That increase was based on estimates made at the time. However, there were additional areas of uncertainty concerning specific details of design and the cost of component materials. The increased estimate of cost at this time is based upon further refinements of design which could not be accurately foreseen at the time of the last estimate, and upon the fact that new-type components have been incorporated in the experimental submarines.

Legislative references: The last increase in the cost limitation on these experimental submarines was effected by the act of August 8, 1949 (63 Stat. 577, ch. 405), which increased that limitation from $30,000,000 to $41,000,000.

Cost and budget data: The additional cost to the Government by reason of the enactment of this proposed legislation would be approximately $4,600,000.

Department of Defense action agency: The Department of the Navy has been designated as the representative of the Department of Defense for this legislation.

Sincerely yours,

MARX LEVA.

CHANGES IN EXISTING LAW

In compliance with subsection 3 of rule XXIX of the Standing Rules of the Senate there is herewith printed in parallel columns the text of the provisions of existing laws which would be repealed or amended by the provisions of the bill as amended by the committee:

EXISTING LAW	THE BILL
(Act of August 8, 1949, Public Law 213, 81st Cong.)	
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, * * * "$41,000,000."	*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the proviso contained in the Act entitled "An Act to authorize the construction of experimental submarines, and for other purposes," approved May 16, 1947 (61 Stat. 96, ch. 69), as amended by the Act of August 8, 1949 (63 Stat. 577, chap., 405), is further amended by deleting "$41,000,000" and inserting in lieu thereof "$49,000,000".

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